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Asurion Testimony in Support of House Bill 5023

My name is Paul Fassbender and I am the Director of Public Policy and Economic Development at Asurion. I am here testifying on behalf of Asurion in support of House Bill 5023. Asurion is the leading provider of handset protection programs in the country and has joined forces with leading wireless carriers throughout the world to bring this valuable product to consumers. The product that is at the heart of this bill is an insurance program that protects a consumer's investment in their wireless communications device by insuring it against loss, theft, damage, and internal malfunction of the device. The bill provides for an entity level license to vendors offering portable electronics insurance and provides for key consumer protections related to such coverage.

As wireless devices have become an integral part of our everyday lives their functionalities have expanded exponentially and with these developments the costs of these devices have also risen. Portable electronics insurance not only ensures that a consumer's investment in such a device is protected, but also ensures that a consumer has very little down time when a problem does occur by getting a pre-programmed phone or other portable electronic device in the consumer's hands often times the very next day after a claim has been made. Staying connected in today's world is crucial and Asurion's products ensure that its customers stay connected.

House Bill 5023 is a bill that creates a licensing framework applicable to the sale of portable electronics insurance in Connecticut. Currently, there is no clear regulatory structure that exists for the sale of this product in Connecticut. The instant legislation would provide such a structure by providing for an entity level limited lines producer license to sell this type of insurance product. The approach set forth in this important piece of legislation ensures a balanced regulatory structure that would avoid the need to license every individual on the floor of every retailer in Connecticut that offers this insurance to consumers while also providing crucial consumer protection and disclosures. As you can imagine, licensing of every sales floor representative of a large retailer would be impractical and overly burdensome on both the Department and businesses. There is no state in the country that currently requires such a licensing scenario.

House Bill 5023 creates a regulatory scheme governing the sale of this product by creating a licensing framework under which the retailer itself holds the license authorizing its employees to sell this insurance product on their behalf. This model is consistent with the national trend that we have seen with respect to the regulation of this product as it creates an efficient and fair licensing framework for the entities offering this product to consumers and gives regulators the authority they need to effectively oversee these activities. Laws similar to the licensing framework have been enacted into law in forty-seven (47) states as well as the District of Columbia and the U.S. Virgin Islands.

In addition to the licensing framework created by this bill, the bill also provides significant consumer protection measures in the form of required disclosures to consumers regarding the insurance coverage that is being sold as well as required training for those individual salespeople acting under the retailer's license. Asurion and local counsel have worked through the language in this bill with the Insurance Department.

In regards to claims, this bill establishes an exemption for a call taker who acts as a data conduit between the insured and a computer system. These exempt call takers will be supervised by license holders who will handle any disputed claims calls. This claims model has been passed in 28 states.

So in summary, this bill is a good bill in that it creates a regulatory structure for this product that ensures full disclosure to the consumer of the terms and conditions of this insurance coverage while also providing the Department with the regulatory authority to ensure that the product is sold to consumers in the right way. This bill strikes an effective balance between the interests of consumers and industry and we would ask that you vote favorably to move this bill from your Committee today.